

# CR MixC Lifestyle (1209 HK)

## FY24 earnings dragged by VAS, shopping malls biz kept shining

CR Mixc's FY24 revenue rose 15% YoY to RMB 17bn, missing guidance by 3%, mainly dragged down by value-added services (VAS). Net profit went up 24% YoY to RMB 3.6bn, beating guidance by 4%, driven by higher revenue contribution from shopping mall biz with high gross margin (~73%) and effective cost control bringing a lower SG&A ratio. The company guided a double-digit NP growth in FY25E, and we estimate a 21%+ core net profit growth is needed to meet 14th FYP targets. It declared a 100% dividend payout based on core net profit, raising the basic payout ratio to 60% (from 55% in FY23). We like company's 1) stable growth in basic PM under parentco's support, 2) fast-growing shopping mall operations (>54% GP contribution) and 3) solid third-party expansion etc. We maintain BUY with TP of HK\$45.3 based on 22x 2025E P/E given its leading position in the industry and strong commercial operation biz. Our TP revised down 4% to reflect the downward adjustment on earnings estimates and a lowered growth projection for the industry.

- **VAS dragged revenue; shopping malls biz continued shining.** Overall revenue rose 15% YoY to RMB 17bn, missing guidance by 3%, due to a 12% YoY decline in non-owner VAS amid slowing demand and a 6% YoY increase in owner VAS, hindered by a 19% YoY drop in brokerage biz, while shopping mall revenue jumped 30% YoY, benefiting from stable existing operations and more openings (21 in FY24 vs. 15 in FY23). Urban space revenue surged 36% YoY, driven by a 20% YoY increase in managed GFA and higher collection rates (91.5% in FY24 vs. 87.9% in FY23). Net profit climbed 24% YoY to RMB 3.6bn, exceeding guidance by 4%, thanks to 1) a 1ppt gross margin increase to 32.9%, driven by the higher contribution from shopping mall operations (28.1% of revenue, up 3.4ppt), and 2) effective cost control lowering the SG&A ratio by 1ppt to 7.4%.
- **FY25 guidance: double-digit NP growth.** The company aims for double-digit net profit growth in FY25. However, to meet the target of a ~40% CAGR of core net profit during the 14th Five-Year Plan period (2021-2025), the growth rate in FY25 needs to reach at least 21%. We estimate that the company's FY25E revenue and net profit will grow by 16%/19% YoY.
- **The 100% dividend payout once again wows the market.** The company raised base dividend payout ratio from 55% in FY23 to 60% in FY24 and offered a 40% special dividend, bringing total dividends to 100% of core net profit. Against the latest closing price, the dividend yield hit 4.8%. The company has maintained 100% div. payout for two consecutive years, signalling strong commitment to shareholder returns.

### Earnings Summary

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue (RMB mn)	14,767	17,043	19,821	22,383	25,169
YoY growth (%)	22.9	15.4	16.3	12.9	12.4
Net profit (RMB mn)	2,928.7	3,629.4	4,321.3	5,045.9	5,874.7
EPS (Reported) (RMB)	1.28	1.59	1.89	2.21	2.57
YoY growth (%)	131.3	23.9	19.1	16.8	16.4
Consensus EPS (RMB)	1.25	1.60	1.92	1.92	1.92
P/E (x)	25.5	20.6	17.1	14.8	12.7
P/B (x)	4.7	4.5	4.6	3.9	3.4
Yield (%)	1.5	2.0	3.5	4.0	4.7
ROE (%)	19.4	22.4	26.4	28.7	28.6

Source: Company data, Bloomberg, CMBIGM estimates

**BUY (Maintain)**

**Target Price** **HK\$45.27**  
 (Previous TP) HK\$46.94  
**Up/Downside** **29.0%**  
**Current Price** **HK\$35.10**

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### Stock Data

Mkt Cap (HK\$ mn)	80,133.3
Avg 3 mths t/o (HK\$ mn)	127.7
52w High/Low (HK\$)	39.45/21.25
Total Issued Shares (mn)	2283.0

Source: FactSet

### Shareholding Structure

China Resources Inc.	72.3%
Free float	27.7%

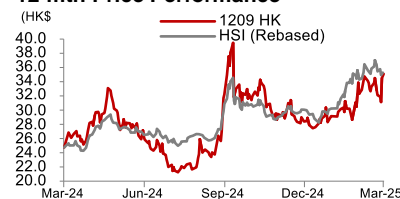
Source: HKEx

### Share Performance

	Absolute	Relative
1-mth	8.7%	6.4%
3-mth	23.6%	6.0%
6-mth	9.0%	-4.0%

Source: FactSet

### 12-mth Price Performance



Source: FactSet

Figure 1: Results summary

RMB mn	2023	2024	YoY	1H24	2H24	1H YoY	2H YoY	HoH
<b>Revenue</b>	<b>14,767</b>	<b>16,989</b>	<b>15%</b>	<b>7,957</b>	<b>9,086</b>	<b>17%</b>	<b>14%</b>	<b>14%</b>
- Property management services	6,018	6,660	11%	3,217	3,442	13%	9%	7%
- Developer VAS	821	718	-12%	337	382	-16%	-9%	13%
- Community VAS	1,426	1,516	6%	723	793	26%	-7%	10%
- Urban space	1,336	1,821	36%	824	996	25%	47%	21%
- Commercial - shopping malls	3,238	4,209	30%	1,890	2,319	34%	27%	23%
- Commercial - office buildings	1,928	2,065	7%	960	1,105	7%	8%	15%
- Ecosystem business	-	53	n.a.	6	48	n.a.	n.a.	n.a.
<b>Gross profit</b>	<b>4,694</b>	<b>5,609</b>	<b>19%</b>	<b>2,703</b>	<b>2,907</b>	<b>20%</b>	<b>19%</b>	<b>8%</b>
<b>Net profit</b>	<b>2,929</b>	<b>3,629</b>	<b>24%</b>	<b>1,908</b>	<b>1,721</b>	<b>36%</b>	<b>13%</b>	<b>-10%</b>
<b>Core net profit</b>	<b>2,920</b>	<b>3,507</b>	<b>20%</b>	<b>1,766</b>	<b>1,741</b>	<b>24%</b>	<b>16%</b>	<b>-1%</b>
EPS (RMB)	1.28	1.59	24%	0.84	0.75	36%	13%	-10%
Core EPS (RMB)	1.28	1.54	20%	0.77	0.76	24%	16%	-1%
DPS (RMB)	1.28	1.54	20%	0.28	1.26			
Dividend payout ratio (as % of core net profit)	100%	100%	-	36%	165%			
<b>GP Margin</b>	<b>31.8%</b>	<b>33.0%</b>	<b>1.2 ppt</b>	<b>34.0%</b>	<b>32.0%</b>	<b>0.8 ppt</b>	<b>1.4 ppt</b>	<b>-2.0 ppt</b>
- Property management services	14.0%	14.4%	0.4 ppt	15.2%	13.6%	-1.1 ppt	1.6 ppt	-1.5 ppt
- Developer VAS	34.3%	33.0%	-1.3 ppt	37.8%	28.8%	-1.4 ppt	-0.8 ppt	-8.9 ppt
- Community VAS	27.2%	25.6%	-1.6 ppt	30.9%	20.8%	-1.8 ppt	-2.7 ppt	-10.1 ppt
- Urban space	12.3%	12.9%	0.6 ppt	15.1%	11.1%	1.0 ppt	0.5 ppt	-4.1 ppt
- Commercial - shopping malls	58.4%	60.2%	1.8 ppt	72.5%	72.7%	0.7 ppt	0.7 ppt	0.2 ppt
- Commercial - office buildings	71.9%	72.6%	0.7 ppt	38.1%	32.1%	0.4 ppt	-1.8 ppt	-6.1 ppt
- Ecosystem business	n.a.	25.0%	n.a.	39.9%	23.2%	n.a.	n.a.	-16.7 ppt
<b>Net Margin</b>	<b>19.8%</b>	<b>21.4%</b>	<b>1.5 ppt</b>	<b>24.0%</b>	<b>18.9%</b>	<b>3.3 ppt</b>	<b>18.9 ppt</b>	<b>-5.0 ppt</b>
<b>Core net margin</b>	<b>19.8%</b>	<b>20.6%</b>	<b>0.9 ppt</b>	<b>22.2%</b>	<b>19.2%</b>	<b>1.3 ppt</b>	<b>19.2 ppt</b>	<b>-3 ppt</b>
Managed GFA (mn sqm)	370.2	413.1	12%	398.0	413.1	23%	12%	
Contracted GFA (mn sqm)	425.3	450.5	6%	446.2	450.5	12%	6%	

Source: Company data, CMBIGM

Figure 2: Earnings revision

RMB mn	New			Old			Diff (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	19,821	22,383	25,169	22,063	n.a.	n.a.	-10%	n.a.	n.a.
Gross profit	5,609	6,888	7,986	6,843	n.a.	n.a.	-18%	n.a.	n.a.
Operating profit	5936	6911	8,027	5,571	n.a.	n.a.	7%	n.a.	n.a.
Net profit	3,629	4,321	5,046	4,120	n.a.	n.a.	-12%	n.a.	n.a.
Gross margin	28.3%	30.8%	31.7%	31.0%	n.a.	n.a.	-2.7ppts	n.a.	n.a.
EBIT margin	29.9%	30.9%	31.9%	25.3%	n.a.	n.a.	4.7ppts	n.a.	n.a.
Net margin	18.3%	19.3%	20.0%	18.7%	n.a.	n.a.	-0.4ppts	n.a.	n.a.

Source: Company data, CMBIGM estimates

Figure 3: CMBI estimates vs. Consensus

RMB mn	CMBIGM			Consensus			Diff (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	19,821	22,383	25,169	19,646	22,210	23,529	1%	1%	7%
Gross profit	5,609	6,888	7,986	6,450	7,379	8,080	-13%	-7%	-1%
Operating profit	5936	6911	8,027	5,323	6,123	6,527	12%	13%	23%
Net profit	3,629	4,321	5,046	4,200	4,816	5,281	-14%	-10%	-4%
Gross margin	28.3%	30.8%	31.7%	32.8%	33.2%	34.3%	-4.5ppts	-2.4ppts	-2.6ppts
EBIT margin	29.9%	30.9%	31.9%	27.1%	27.6%	27.7%	2.9ppts	3.3ppts	4.2ppts
Net margin	18.3%	19.3%	20.0%	21.4%	21.7%	22.4%	-3.1ppts	-2.4ppts	-2.4ppts

Source: Bloomberg, CMBIGM estimates

**Figure 4: Valuation comps**

Company	Ticker	Last Price	Mkt Cap (USD mn)	P/E (x)		Net Profit Growth (%)			Payout ratio	Dividend Yield	
		(LC)		25E	26E	24A	25E	26E		24A	25E
CR MxCo	1209.HK	35.10	10,303	17.1 x	14.6 x	23.9	19.1	16.8	97%	4.8%	3.5%
Onewo	2602.HK	23.10	3,480	14.6 x	12.7 x	(41.2)	48.3	15.2	196%	9.0%	5.6%
Poly Services*	6049.HK	32.80	2,334	9.9 x	9.1 x	10.7	10.5	8.4	40%	3.3%	3.7%
COPH	2669.HK	5.54	2,340	10.0 x	9.1 x	12.5	11.0	10.2	36%	3.2%	3.5%
China Merchant PO	001914.SZ	12.08	1,785	13.7 x	12.2 x	14.2	11.5	11.8	30%	2.0%	2.3%
Greentown Services	2869.HK	4.37	1,778	14.9 x	12.7 x	19.7	19.7	17.4	70%	4.6%	5.0%
Binjiang Services	3316.HK	25.40	903	9.9 x	8.5 x	13.4	17.2	16.7	60%	5.3%	5.2%
Yuxiu Services	6626.HK	2.93	569	7.8 x	6.8 x	(27.0)	51.9	14.4	74%	6.2%	6.7%
C&D PM	2156.HK	2.58	467	7.7 x	6.8 x	(30.8)	35.2	13.0	58%	5.8%	7.9%
Ever Sunshine	1995.HK	2.25	500	6.7 x	5.4 x	10.0	11.6	NA	NA	8.2%	9.6%
S-Enjoy	1755.HK	2.95	331	4.3 x	4.2 x	5.1	14.5	7.0	39%	7.6%	8.7%
Jinmao Services	0816.HK	2.89	336	5.9 x	5.6 x	10.4	8.8	6.3	40%	6.2%	6.7%
New Hope Services	3658.HK	1.93	202	5.5 x	4.9 x	9.4	11.9	11.7	60%	8.9%	9.8%
E-star CM	6668.HK	1.32	172	7.9 x	7.7 x	(9.7)	1.3	2.6	80%	9.9%	0.0%
<b>Average</b>				<b>13.7 x</b>	<b>11.9 x</b>	<b>8.3</b>	<b>21.5</b>	<b>14.0</b>	<b>87%</b>	<b>5.1%</b>	<b>4.3%</b>
BEKE-W	2423.HK	54.25	25,267	27.3 x	21.8 x	(26.4)	16.3	27.8	73%	1.9%	2.0%
Greentown Management	9979.HK	3.14	812	5.2 x	4.8 x	3.0	8.8	8.1	50%	8.3%	9.0%
<b>Average</b>				<b>26.6 x</b>	<b>21.2 x</b>	<b>0.0</b>	<b>16.0</b>	<b>27.2</b>	<b>72%</b>	<b>2.1%</b>	<b>2.2%</b>

Source: Company data, Wind, CMBIGM

Note: \* denotes company with FY23 data in payout ratio/Dividend yield 24A. Earnings estimates are Wind consensus except companies under our coverage. Data as of 28 Mar 2025

## Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Revenue	12,016	14,767	17,043	19,821	22,383	25,169
Cost of goods sold	(9,345)	(10,073)	(11,433)	(12,932)	(14,397)	(15,934)
Gross profit	2,671	4,694	5,609	6,888	7,986	9,234
Operating expenses	(619)	(668)	(602)	(952)	(1,075)	(1,208)
Selling expense	(151)	(285)	(291)	(326)	(368)	(414)
Admin expense	(1,053)	(950)	(975)	(1,134)	(1,281)	(1,440)
Others	585	567	664	508	574	647
Operating profit	2,052	4,027	5,008	5,936	6,911	8,027
Other income	580	577	705	508	574	647
Other gains/(losses)	5	(10)	(40)	0	0	0
Share of (losses)/profits of associates/JV	1	3	3	3	3	3
Net Interest income/(expense)	(87)	(117)	(116)	(111)	(108)	(106)
Others	1,467	3,460	4,344	5,428	6,337	7,380
Pre-tax profit	1,966	3,912	4,895	5,828	6,806	7,924
Income tax	(693)	(969)	(1,165)	(1,387)	(1,620)	(1,886)
After tax profit	1,273	2,943	3,730	4,441	5,186	6,038
Minority interest	(7)	(14)	(101)	(120)	(140)	(163)
Net profit	1,266	2,929	3,629	4,321	5,046	5,875
Gross dividends	1,002	1,098	1,468	2,593	3,028	3,525
BALANCE SHEET	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (RMB mn)						
Current assets	15,839	19,518	16,256	16,842	20,364	24,382
Cash & equivalents	12,593	11,580	9,571	12,140	15,085	18,475
Restricted cash	130	67	2,707	99	99	99
Account receivables	1,558	1,996	2,366	2,752	3,107	3,494
Inventories	148	203	240	271	302	334
Prepayment	1,410	1,621	1,272	1,480	1,671	1,879
Financial assets at FVTPL	0	0	0	0	0	0
Non-current assets	9,999	8,265	12,652	12,949	13,246	13,544
PP&E	569	552	614	912	1,210	1,508
Right-of-use assets	103	112	85	85	85	85
Deferred income tax	125	117	143	143	143	143
Investment in JVs & assos	2	4	7	7	7	7
Intangibles	1,470	1,574	1,359	1,359	1,359	1,359
Other non-current assets	3,367	3,804	4,161	4,160	4,160	4,160
Total assets	25,838	27,783	28,908	29,790	33,611	37,926
Current liabilities	8,040	8,340	8,828	9,993	11,111	12,297
Short-term borrowings	0	0	0	0	0	0
Account payables	1,339	1,546	1,656	1,873	2,085	2,308
Tax payable	118	235	331	331	331	331
Lease liabilities	100	152	133	133	133	133
Contract liabilities	1,832	2,172	2,279	2,651	2,994	3,366
Accrued expenses	4,651	4,121	4,395	4,971	5,534	6,125
Non-current liabilities	3,473	3,408	3,359	3,359	3,359	3,359
Obligations under finance leases	2,302	2,267	2,174	2,174	2,174	2,174
Deferred income	14	13	10	10	10	10
Other non-current liabilities	765	906	1,024	1,024	1,024	1,024
Total liabilities	11,512	11,747	12,187	13,352	14,470	15,656
Total shareholders equity	14,280	15,948	16,525	16,242	18,945	22,075
Minority interest	46	88	196	196	196	196
Total equity and liabilities	25,838	27,783	28,908	29,790	33,611	37,926

<b>CASH FLOW</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec (RMB mn)</b>						
<b>Operating</b>						
Profit before taxation	1,966	3,912	4,895	5,828	6,806	7,924
Depreciation & amortization	235	275	102	102	102	102
Tax paid	(651)	(735)	(1,165)	(1,387)	(1,620)	(1,886)
Change in working capital	(237)	(120)	432	540	540	559
Others	578	(291)	(367)	0	0	0
<b>Net cash from operations</b>	<b>1,891</b>	<b>3,042</b>	<b>3,897</b>	<b>5,084</b>	<b>5,828</b>	<b>6,699</b>
<b>Investing</b>						
Capital expenditure	(121)	(582)	(400)	(400)	(400)	(400)
Others	0	0	(4,039)	0	0	0
<b>Net cash from investing</b>	<b>(1,064)</b>	<b>(1,827)</b>	<b>(4,439)</b>	<b>78</b>	<b>144</b>	<b>217</b>
<b>Financing</b>						
Dividend paid	(963)	(2,090)	(1,468)	(2,593)	(3,028)	(3,525)
Net borrowings	0	0	0	0	0	0
Proceeds from share issues	0	0	0	0	0	0
Others	0	0	0	0	0	0
<b>Net cash from financing</b>	<b>(1,936)</b>	<b>(2,228)</b>	<b>(1,468)</b>	<b>(2,593)</b>	<b>(3,028)</b>	<b>(3,525)</b>
<b>Net change in cash</b>						
Cash at the beginning of the year	13,698	12,593	11,580	9,571	12,140	15,085
Exchange difference	3	1	0	0	0	0
<b>Cash at the end of the year</b>	<b>12,593</b>	<b>11,580</b>	<b>9,571</b>	<b>12,140</b>	<b>15,085</b>	<b>18,475</b>
<b>GROWTH</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec</b>						
Revenue	35.4%	22.9%	15.4%	16.3%	12.9%	12.4%
Gross profit	21.5%	75.8%	19.5%	22.8%	15.9%	15.6%
Operating profit	10.7%	96.2%	24.4%	18.5%	16.4%	16.1%
Net profit	8.7%	131.3%	23.9%	19.1%	16.8%	16.4%
<b>PROFITABILITY</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec</b>						
Gross profit margin	22.2%	31.8%	32.9%	34.8%	35.7%	36.7%
Operating margin	17.1%	27.3%	29.4%	29.9%	30.9%	31.9%
Return on equity (ROE)	9.0%	19.4%	22.4%	26.4%	28.7%	28.6%
<b>GEARING/LIQUIDITY/ACTIVITIES</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec</b>						
Current ratio (x)	2.0	2.3	1.8	1.7	1.8	2.0
Receivable turnover days	17,272.5	18,003.9	18,494.5	18,494.5	18,494.5	18,494.5
Inventory turnover days	2,109.5	2,681.6	2,793.9	2,793.9	2,793.9	2,793.9
Payable turnover days	19,093.6	20,449.5	19,293.3	19,293.3	19,293.3	19,293.3
<b>VALUATION</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>YE 31 Dec</b>						
P/E	59.1	25.5	20.6	17.3	14.8	12.7
P/B	5.2	4.7	4.5	4.6	3.9	3.4
Div yield (%)	1.3	1.5	2.0	3.5	4.0	4.7
EV	14,279.7	15,948.2	16,525.4	16,242.5	18,945.1	22,074.6
EV/Sales	1.2	1.1	1.0	0.8	0.8	0.9

Source: Company data, CMBIGM estimates. Note: The calculation of net cash includes financial assets.

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